

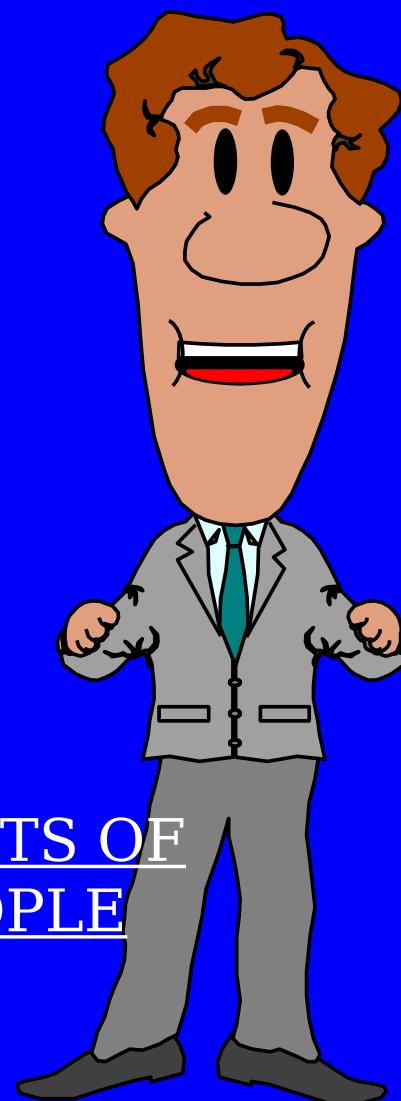
RESOURCE MANAGEMENT SYSTEM (RMS)

*Financial Management
In a
Nutshell*

Reference AFI 65-601 Vol2

SMSgt Bob
Frohnnapfel

**"LEAD PEOPLE,
MANAGE RESOURCES"**



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HIGHLY EFFECTIVE PEOPLE

OVERVIEW

- Resource Management System
- Structure
- Responsibilities
- Participatory Financial Management
- Budget Process
- Unfunded Requirements
- Additional Items

RESOURCE MANAGEMENT SYSTEM

What is “Resource Management System”?

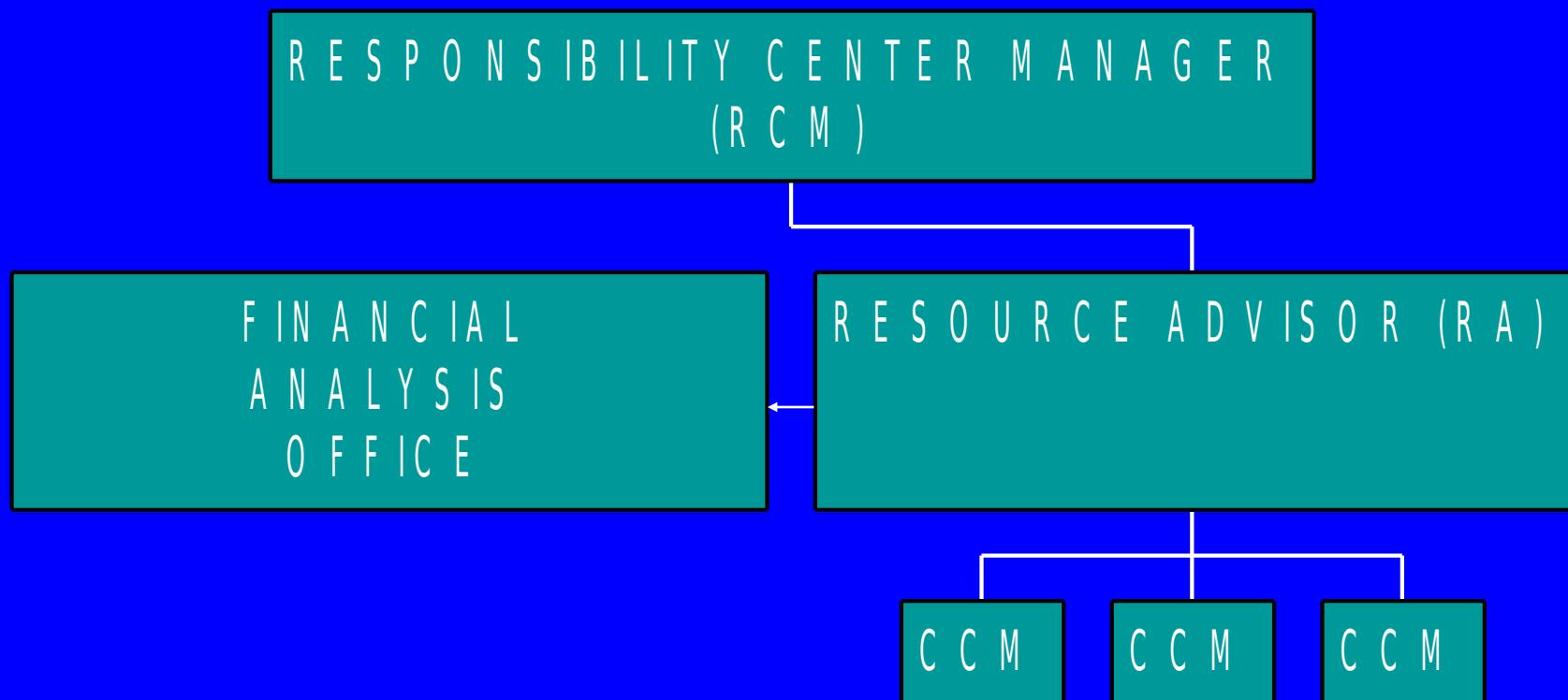
- The Air Force’s Resource Management System (RMS):
 - Involves various systems focusing on outputs and resources used, on managers effectively using resources, on measuring actual performance compared to planned performance, and on using financial plans and accounting to enhance management control at each organizational level.

What is “Resource Management System”?

- RMS elements include the financial plan, management and accounting systems, participatory management, and resource management training.
- NOTE: It is FMA's responsibility to conduct resource management training to all Resource Advisors. Both initial and recurring training are required.

STRUCTURE

Responsibility Center Structure



RESPONSIBILITIES

Resource Advisor (RA)

- Is appointed by the RCM
- Monitors and helps prepare estimates for resources
- Helps develop obligation and expense targets (Fin Plan & Distribution)
- Monitors the use of resources in daily operations
- Provides RMS training to cost center managers
- Represents the RCM in the Financial Working Group

Resource Advisor (RA)

(cont..)

- Assists the comptroller during fiscal year-end close-out
 - Ensures unfunded requirements are identified
- Serve as the primary point of contact for their responsibility center
- Know the details of the organization's cost, program and fiscal requirements
- Understands the use of management reports
- Interpret management reports and recommend necessary actions

Cost Center Manager (CCM)

- Responsible to the resource advisor
- Regulates the consumption of supplies, equipment, and services
- Starts preparing the Fin Plan
- Determines the validity of the Fin Plan as a whole and develops resource requirements and narrative justifications
- Fosters daily awareness of the relationship between resources used and products produced and realigns resources as approved by superiors.

Financial Analysis Office (FMA)

- Each wing and base-level FMA provides analysis of financial matters in support of the base organizations
- Supports the organization's mission and the Air Force by providing financial management advice to the Wing Commander and staff
- Ensure the economical and efficient use of resources are consistent with statutory and regulatory requirements
- Prepare and execute the Fin Plan for the Wing
- Review and validate unit financial requirements such as the Financial Plan, Budget Execution Review (BER), and Fiscal Year-End Close-Out

PARTICIPATORY FINANCIAL MANAGEMENT

WHAT IS PARTICIPATORY FINANCIAL MANAGEMENT

- A corporate organizational approach which combines efforts of the commander and supporting staff in the most effective, efficient way to set priorities or to reduce, defer, or eliminate programs.
- Two elements to Participatory Financial Management

Financial Working Group (FWG)

- Both line and staff RA and RCMs serve as FWG members
- Develops all-inclusive budgets and financial plans for an organization or program
- Reviews Operating Budgets (Status of Funds)
- Identifies unfunded requirements, recommends priorities, and presents them to the FMB for approval

Financial Management Board (FMB)

- Chairperson is the Wing Commander
- Top level managers (Wing and Group commanders) comprise the FMB
- RCMs and RAs, directly subordinate to FMB members, attend meetings as technical advisors when appropriate.
- Executive level committee
- Approves all financial changes
- Ensures program consistency

BUDGET PROCESS

Phases of the Financial Year at base level

- FIN PLAN
- Continuing Resolution Authority
- Budget Execution
 - Restraints
 - Distribution
 - Targets
 - Realignment
- Budget Execution Review
- Year-End Closeout
- Unfunded Requirements

FIN PLAN

- The primary objective of the Financial Plan (Fin Plan) is to give you an opportunity to fine tune your execution strategy, and realign funding in the areas most needed. It is also important to identify any areas that might not have enough funds to meet the mission requirements.
- The Fin Plan should be a plan of how to execute the program that we, as a wing, expect to receive for the upcoming fiscal year. Therefore, the actual budget execution of a given year should be based on the contents in that year's Fin Plan.

FIN PLAN

- If your bogey, “forecasted availability of funds” or tentative budget, does not match how you plan to execute your funds, command needs to know why, what you expect to do, and what you cannot do.
- Note: The Bogey for the Fin Plan year is usually based on the distribution of the Current Year as of 31 Dec or sometimes 31 Jan, depending on when distribution is actually received.

Continuing Resolution Authority (CRA)

- When an appropriation bill has not been signed by the President, Congress will usually authorize a CRA.
- When the DoD operates under a CRA, SAF/FMB must request temporary appropriation warrants from the Treasury Department for amounts needed during the period of the CRA.
- During the period of the CRA we will operate business on a conservative basis...no new initiatives.

Budget Execution

- We usually receive the Operating Budget Authority Document (OBAD) in the month of November.
- When the MAJCOMs issue the OBAD to the installation commander, the base begins the execution stage of its financial process.
- The OBAD must first be reviewed to identify any restraints.
- Once *restraints* have been identified, *distribution* can begin and *targets* loaded.

Restraints

Legal Limitations - Are direct, annual O&M obligation authority. These limitations are by major force program and total obligation authority on a cumulative quarterly basis.

Line Item Limitations - Are specific items such as the real-property maintenance “floor” (minimum amount), and contingencies that are “ceilings” (maximum amounts) that only apply to the recipient. FC 2S and FC 2T are “fenced” (minimum & maximum amounts) where you have to spend to the Target.

Distribution

- The OBAD is the basis for determining the availability of funds to meet expenditures. The OBAD contains fund authorizations for the entire fiscal year.
- Upon receipt of the OBAD, staff financial managers and the base financial analysis office analyze the impact of the authorization of the base. (A review of the OBAD submission, limitations, and targets can determine what percentage of the mission can be completed.)

Targets

- Fund targets represent translating the mission into dollars required to perform that mission. Once you receive the distribution for your organization you will need to establish your targets based on your mission needs.
- You can always use the total obligations for the prior year as a guide when determining your current year annual targets.

During the Year

- MicroBas
- Straight-line
- Different Pots of Money

Budget Execution Review (BER)

- The BER will take place several times each fiscal year, the first taking place shortly after you receive your initial distribution.
- At the time of the BER you must evaluate current spending with available funds and identify any unfunded requirements for the remainder of the current FY.
- Submit top unfunded requests for additional funding to FMA by the required deadline.

Year-End Closeout

- Obligate no more than 20 percent of your annual (1 fiscal year) appropriations during August and September of any fiscal year.
- For additional information on the 20 percent rule, see AFI 65-601 V1, Chapter 4
- NOTE: Don't spend money unnecessarily. Identify and report any unused funds to higher headquarters.



Year-End Closeout

- The comptroller always serves as project officer year-end closeout because he or she must perform the certification of funds statement. The comptroller works with the Financial Analysis Office, Financial Services Office, Defense Accounting Office, operation officials, RCMs, and RAs to perform the following tasks:
 - Give technical aid to persons involved in year-end operations.
 - Set up a priority list of year-end unfunded items.
 - Keep the commanders and staff informed of the status of funds.
 - Control the entire year-end project.
 - Identify fund limitations and perform continuous review to assure that obligations are within the constraints of these limitations.

Year-End Closeout

- Resource Advisors' responsibilities:
 - Actively monitor their programs.
 - Know their programs and how much money they have left.
 - If surpluses or deficits develop, they consult the base financial analysis office for a course of action.
 - Promptly process all actions that lead to the obligation of funds.

Year-End Closeout

- Resource Advisors' responsibilities (cont.) :
 - Review unliquidated obligations and those being processed to ensure they are still valid. Cancel any invalid obligations.
 - Have any unfunded requirements ready to process if additional funds should become available.

UNFUNDED REQUIREMENTS

- Based on valid requirements, not “nice to have” items.
- Must have a narrative justification explaining what the requirement is and the mission impact if not funded.
- Prioritize all requirements, funded and unfunded.
- Unfunded requirements start when the funding runs out.

Stages of Accounting

- Commitment (COMM)
- Undelivered Orders Outstanding (UOO)
- Accrued Expenses Unpaid (AEU)
- Accrued Expenses Paid (AEP)



ADDITIONAL FUNDING

- NON-APPROPRIATED FUNDS
 - LOAN LOCKER
- PRIVATE ORGANIZATION
 - UNITED WAY
- COMMANDERS EMPHASIS FUND
 - FMA
- CHAPEL
 - FOOD
- SERVICES
 - BOOKS

ADDITIONAL ALLIES

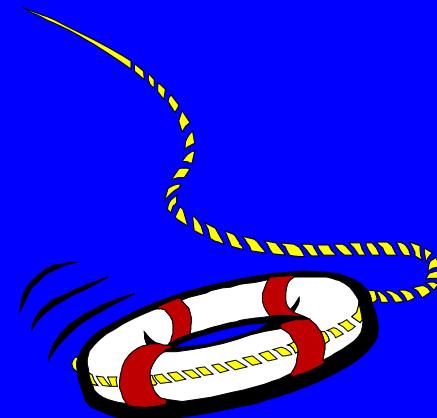
- GPC Coordinator
 - CONS
- Contract Specialist
 - CONS
- Budget
 - CPTS
- Accounting Liaison Office
 - CPTS
- NAF Funds
 - SVS
- AFWAY Coordinator
 - COM

ADDITIONAL TRAINING

- GOVERNMENT PURCHASE CARD
 - CONS
- Standard Base Supply System
 - Supply
- MICROBAS
 - FMA
- RMS Break-outs
 - FMA

Wrapping Up

- Execute your funds



- ID requirements



- Sell your requirements

- Know your base procedures

QUESTIONS?

CONTINUITY BOOKS

What should I have at my fingertips?

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OVERVIEW

- Quick Reference Phone Numbers
- Training Certificates
- Manuals
- Local Financial Coding Package
- Planning Documents
- Operating Documents
- Additional Items

Quick Reference Phone Numbers

- Program Element Monitor
- Resource Advisor
- Budget Analyst
- Accounting Liaison Office
- Orders Approving Official
- Contracting
- Any Additional Agencies

TRAINING CERTIFICATES

- RMS Training
- GPC Training
- Supply Training
- AFWAY
- Building Custodian

MANUALS

- ABSS
- Micro-Bas
- Per Diem Azing
- Etc.

CODING PACKAGE

- Local Financial Coding Package
- EEIC Listing
- ESP Codes

ACCOUNTING SYSTEM FOR OPERATIONS

Sample Accounting Classification

574 3400 304 83M1 231655 01 61950 662400 ESP:VA

57 - Air Force Designator

4 - Fiscal Year (04)

3400 - Operations & Maintenance (O&M) Appropriation

30 - Fund Code for O&M Funding

4 - Fiscal Year (04)

83 - Operating Agency (Major Command) Code

M1 - Operation Budget Account Number (Base)

231655 - Responsibility Center/Cost Center Code

01 - Budget Activity Code (BAC)

61950 - Element of Expense/Investment Code (Resource Consumed)

662400 - Accounting and Disbursing Station Number (ADSN)

ESP:VA - Emergency and Special Program Code (if applicable)

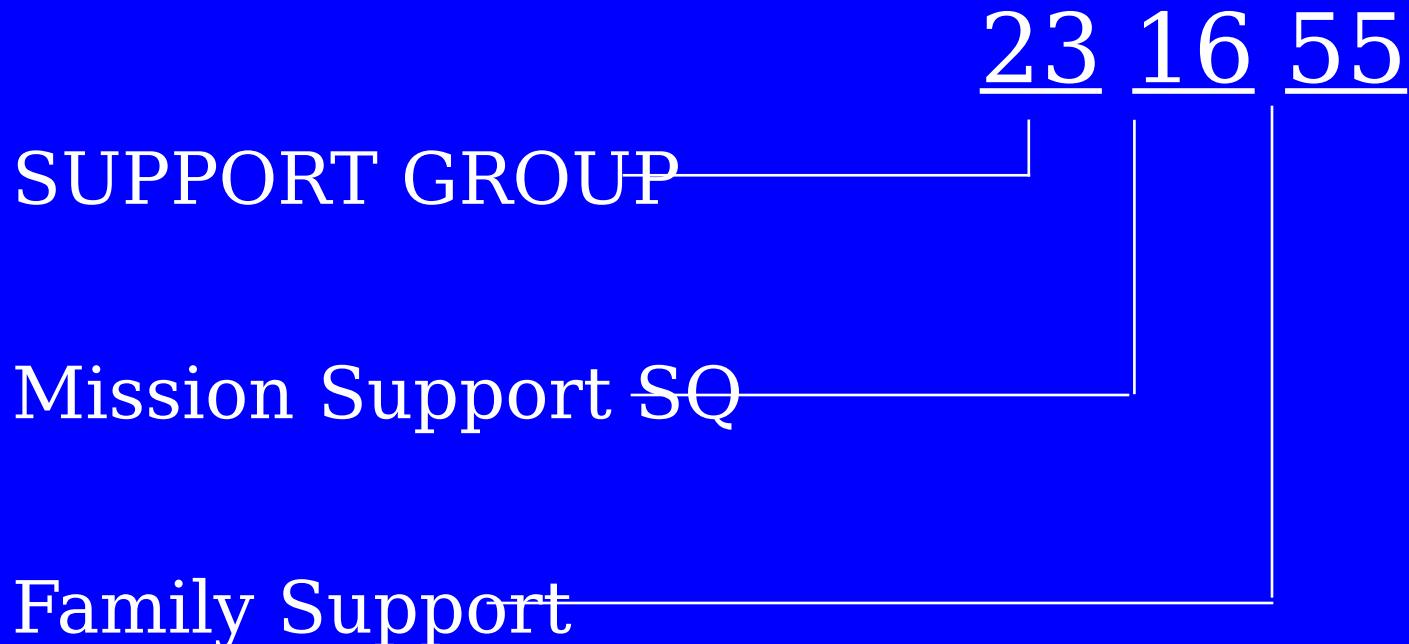
Fund Codes

Fund Codes identify the major fund by using two digits.

- 30 - Operations & Maintenance
- 2S - Transition
- 2T - Relocation

Responsibility Center/ Cost Center Codes

Responsibility Center/Cost Center (RC/CC) Codes identify the responsible organizations and using organizations.



Budget Activity Codes

Budget Activity (BA) Codes identify the funds control point which is tied to a major mission. Funds cannot be moved between BAs.

- **BA-01 (Operating Forces)**
- BA-02 (Mobilization)
- BA-03 (Training & Recruiting)
- BA-04 (Administration & Services)

Element of Expense Investment Codes

Element of Expense Investment (EEIC) Codes identify the type of commodity being purchased with the appropriation.

<u>EEIC</u>	<u>DESCRIPTION</u>
39X	CIVILIAN PAY
409	TDY
609	GENERAL SUPPORT SUPPLIES - SF
61990	NON-SF SUPPLIES
61950	GPC PURCHASES
628	EQUIPMENT - SF

Emergency & Special Program Codes

Emergency & Special Program (ESP) Codes are assigned by JCS, MAJCOM or locally. These codes identify costs of “SPECIAL” activities, some are one time, while others are long-term.

ESP CODE ESP TITLE

2C Y2K

4A Operation Joint Force

5A Operation Allied Force

VA Desert Calm/Southern Watch

NOTE: For a list of additional ESP codes, please see FMA

Program Element Codes

Program Element Code (PEC) describes the mission or program by the identification of the organizational entities and resources needed to perform the assigned mission.

<u>PEC</u>	<u>DESCRIPTION</u>
11213F	MINUTEMAN SQUADRONS
11896F	BASE OPERATION SUPPORT
35920F	FAMILY SUPPORT CENTER

PLANNING DOCUMENTS

- Fin-Plan
- Spend Plan
- Unfunded Requirements
- Unit Manning Documents

OPERATING DOCUMENTS

- Micro-Bas Reports
- Load Sheets
- 4009's
- Form 9s
- Form 616s
- TDY Orders/Vouchers

SUMMARY

- Samples of everything you do
- Processes for everything that you do not want called on while you are on Leave/TDY



QUESTIONS?